



MARYLAND DEPARTMENT OF THE ENVIRONMENT

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Martin O'Malley
Governor

Robert M. Summers, Ph.D.
Secretary

Anthony G. Brown
Lieutenant Governor

February 21, 2014

The Honorable Maggie McIntosh
House Office Building
Room 251
Annapolis, MD 21401

Re: Letter of Information, *House Bill 937 - Wastewater Treatment Facilities – Distribution of Financial Assistance*

Dear Chairperson McIntosh and Committee Members:

The Maryland Department of the Environment (“MDE” or “the Department”) has reviewed House Bill 937, and would like to provide the following information regarding the bill.

This legislation requires MDE’s Water Quality Financing Administration to ensure the “fair and equitable distribution” of financial assistance among wastewater treatment facilities (WWTP). The bill does not define “fair and equitable distribution” and without further definition, MDE would have great difficulty implementing the bill.

The MDE funds identified in the bill which provide financial assistance, and which would be required to be “fairly and equitably” distributed, are the Water Quality Revolving Fund, Bay Restoration Fund, Biological Nutrient Removal Program, and the Supplemental Assistance Program. MDE's existing policies already offer additional subsidies to smaller, low-income WWTP owners within the statutory authority for each of the funding programs identified in House Bill 937.

Beginning in FY18, MDE will have approximately \$50 million/yr available from the BRF WWTP fund to pay for upgrading minor WWTPs. By providing these minor WWTP owners with grant funding for these upgrades, we will be able to reduce the local share of the upgrade cost. MDE’s below market interest rate loans will also be available for the local share not covered by the BRF grants. Both of these things will make these minor WWTP upgrades much more affordable going forward.

Thank you for your consideration of this information. We will continue to monitor House Bill 718 during the Committee’s deliberations, and I am available to answer any questions you may have. Please feel free to contact me at 410-260-6301 or by e-mail at jeffrey.fretwell@maryland.gov.

Sincerely,

Jeffrey Fretwell

